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DIV. OF OIL, GAS & MINING
United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY REFER TO:
3590
UTU-073071
(UT-923)

JUN 26 2008

CERTIFIED MAIL--Return Receipt Requested 7007 3020 0000 4147 5871

Mr. Stewart Greene
American Gilsonite Company
HC 73 Box 28
Vernal, Utah 84078

Re: Notice of Non-Compliance Federal Gilsonite Lease UTU-073071

NOTICE OF NONCOMPLIANCE

Dear Mr. Greene:

Background- The Bureau of Land Management (BLM) Utah State Office issued a mining plan modification approval on March 7, 2008 for the mining of the upper slope on Federal Gilsonite Lease UTU-073071 for the Wagon Hound 16 mine. The modification changed the orientation of the shaft facilities and only authorized one existing road.

Non-Compliance- On the last inspection on May 29, 2008 at the WH#16 mine site, BLM discovered that there was a road cut for the movement of the power lines due to a near miss electrical incident. This road parallels the approved road and is in addition to the road that was approved in the plan.

How to correct Non-Compliance- To rectify this Notice of Non-Compliance, AGC must submit a plan of action within 30 days of receipt of this notice. The plan of action must address what will be done to seek approval for or reclaim the road and the time table in which the work will be accomplished. In the event that you choose not to abide by this notice of non-compliance, you may be subject to enforcement actions in 43CFR 3598.4

If you have further questions and information please contact Mr. Stan Perkes, (801) 539-4036 of my staff.

Sincerely,

JAMES F KOHLER

James F. Kohler
Chief, Solids Minerals Branch

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bcc: Central Files
Vernal Field Office
Utah Division of Oil, Gas, and Mining (Attn. Leslie Heppler), P.O. Box 145801 SLC, UT
84114-5801
Files - UTU-0126943
Chron File
073071powerpolNon6-19-2008SP-SA